

# COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



## NEWS RELEASE

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### **Committee Approves Real Property Reform Bill**

*Legislation Improves Federal Real Property Management  
Billions Wasted Each Year to Maintain Vacant, Unneeded Buildings*

WASHINGTON, D.C. – Chairman Tom Davis (R-VA) is pleased to announce that the Government Reform Committee today unanimously approved legislation Davis and House Budget Committee Chairman Jim Nussle (R-IA) introduced to begin addressing management challenges associated with federal real property. H.R. 3134, the “Federal Real Property Disposal Pilot Program and Management Improvement Act of 2005,” creates a 5-year pilot program to allow for the expedited disposal of federal excess, surplus, and underperforming real properties.

The House Budget Committee provided a \$50 million reserve fund in the FY 2006 Budget Resolution to pay for the pilot program. The OMB Director, in consultation with the Federal Real Property Council, will select Federal properties to be sold under the program, which will terminate upon the disposal of 100 properties or the expiration of the 5-year period, whichever occurs first. As an incentive to participate in the pilot program, the affected agency will retain a portion of those proceeds.

To address concerns raised, Chairman Davis offered a substitute amendment to ensure that properties which may be appropriate for use by homeless groups will not be eligible for the pilot program. Also, provisions were added to give greater consideration to public uses by state and local governments, including a notification requirement to the relevant local government of the intent to dispose of Federal property in its jurisdiction.

In addition, the legislation codifies provisions from Executive Order 13327. The Order borrowed several key provisions from H.R. 2548, the “Federal Property Asset Management Reform Act of 2003,” such as: (1) the creation of the Senior Real Property Officer; (2) the development of agency asset management plans; (3) the creation of an accurate and updated inventory of all federal real property; and (4) an emphasis on financial management.

“We are clearly facing a critical situation in federal real property management and throwing more money at the problem isn’t going to solve it – we already spend billions as it is. Congress must take action to stem this tide of deteriorating Federal buildings and subsequent waste of taxpayer dollars,” said Chairman Davis. “Our legislation will allow us to take the first step toward improving federal real property management and help take it off the GAO High Risk Series.”

Since the 106<sup>th</sup> Congress, the Committee has held several hearings to examine innovative solutions to address the federal property management crisis. The Committee marked up bipartisan legislation in the 107<sup>th</sup> and 108<sup>th</sup> Congresses that included comprehensive management reforms. Most recently, the Committee passed H.R. 2548, the “Federal Property Asset Management Reform Act of 2003.” The bill was delayed because of a debate on its budget impact.

The Congressional Budget Office (CBO) attached a high cost estimate to H.R. 2548, implying that the federal government would spend more money by passing the bill than if it did nothing. CBO’s estimate loses sight of the cost-savings that would have been realized if agencies were able to implement the management authorities in the bill.

“I want to thank Chairman Nussle for ensuring that the FY 2006 Budget Resolution provided a \$50 million reserve fund to the Government Reform Committee to pay for the pilot program. This program will allow us to prove that real property reform saves money, despite what CBO claims. This is about saving money, not spending more of it,” Davis added. “The Committee anticipates that at the end of the five-year program, the pilot will have resulted in considerable savings to the U.S. government, thereby clearing the way for more fundamental real property reform.”

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